

October 24, 2007

**Otter Tail Corporation
October 2007
Fuel Cost Adjustment**

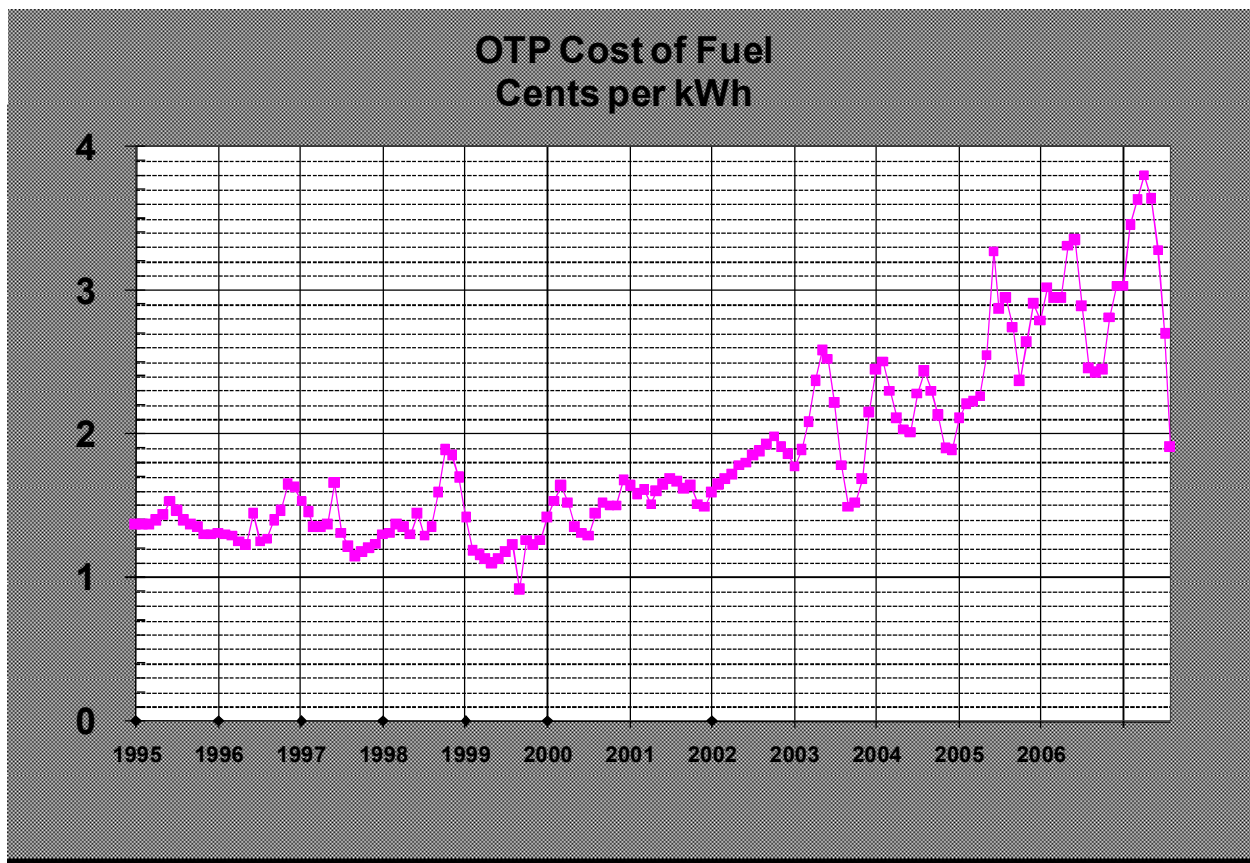
Case No. PU-07-681

Otter Tail Corporation decreased its electric fuel cost adjustment by 0.79 cents per kWh from 1.05 cents per kWh. The resulting fuel cost adjustment for the month of October is 0.26 cents per kWh.

This month's calculations include a refund of \$1,408,370 for Midwest ISO Schedules 16 and 17 administrative costs as agreed to in the settlement approved by the Commission in Case No. PU-05-131.

Combining Otter Tail's fuel cost adjustment with its 1.65 cents per kWh base cost of fuel already included in base tariff rates brings Otter Tail's total average cost of fuel and purchased energy for billing during the month of October to 1.91 cents per kWh as shown on the graph below.

As a result of this change, the electric bill for an Otter Tail residential customer consuming 750 kWh per month will decrease by \$5.93 for bills rendered in the month of October.



JRL